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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 002066

SIPDIS

STATE PASS ATT/W

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TAGS: <u>PGOV PREL</u> <u>TW</u>
SUBJECT: PRIMER ON MAY 14 NATIONAL ASSEMBLY ELECTION

REF: 2004 TAIPEI 02662

Classified By: AIT Director Douglas Paal, Reason(s): 1.4 (B/D)

 $\P1.$ (C) Summary: The Taiwan public and media remain largely disengaged over the upcoming National Assembly (NA) election despite the fact that there are only eight days left, in part because Taiwan's political parties have ran a very low-key campaign. This, the final NA, is being elected to vote on a set of constitutional reforms passed by the Legislative Yuan (LY) last August. Political analysts expect a poor turnout, perhaps as low as 30 percent, which would particularly hurt the Democratic Progressive Party (DPP). DPP officials worry that recent media focus on the Mainland China visits of Pan-Blue leaders Lien Chan and James Soong, and internal Pan-Green discontent over the government's "weak" response, will damage the ruling party. Both the People First Party (PFP) and Taiwan Solidarity Union (TSU) have declared their opposition to the five reforms that will be considered by the NA and are hoping to gain enough seats to prevent passage of the package, which would create a single-member-per-district legislative system that would marginalize small parties and benefit the two large parties, DPP and KMT. Despite the active efforts of the two smaller parties, however, DPP and KMT officials remain confident that the reform package will pass in June. End Summary.

Election, What Election?

- ¶2. (C) Public opinion surveys continue to show a low level of interest in the May 14 election for the National Assembly (NA), even though there is just over a week before the According to the Green-leaning Taiwan Advocates survey released April 13, more than 50 percent of the people surveyed had no idea that a NA election would be held on May 14 and 80 percent were confused about the political parties stance on the constitutional amendments to be debated by the NA. Democratic Progressive Party (DPP) Survey Center Director Wu Hsiang-jung confirmed these statistics at a May 4 DPP briefing to the diplomatic community on the NA election. He noted, for example, that 34 percent of the public erroneously thinks the KMT opposes the constitutional reforms while only 20 percent realizes the KMT actually supports the Wu predicted an election turnout rate of under 30 percent, attributing the low public interest to the fact that in this election voters will vote for political parties rather than individual candidates. KMT Organizational Development Director Liao Fung-te predicted a slightly higher turnout rate of 35-40 percent. In an attempt to boost the turnout rate, the Central Election Commission (CEC) commissioned a popular actor to promote the election and plans to hold a "lucky draw" among May 14 voters for a grand prize of NT one million dollars (USD 300,000).
- (C) The combination of an expected low turnout rate and public focus on visits by Pan-Blue leaders to the Mainland has made DPP officials increasingly nervous. DPP Legislator Bi-khim Hsiao said the DPP is worried about this election because people's attention has been distracted away from the election by the focus on the PRC visits of the two opposition party chairmen. National Security Council (NSC) Deputy Secretary General Henry Ke told AIT that the government

suspects Beijing's decision to move up the timetable for the Pan-Blue visits may have been timed to hurt the DPP in the NA election. A poor DPP showing, he explained, could further erode Chen's domestic base.

(C) KMT officials insist they are confident their party will do well, despite the fact that the KMT largely ignored the election until the past several days. KMT Legislator Shyu Jong-Shyong told KMT that low election turnout rates always favor the well-organized KMT. DPP's Wu Hsiang-jung separately agreed with Shyu's assessment and predicted that separately agreed with Snyu's assessment and predicted that all 148 KMT nominees will win seats. KMT Chairman Lien Chan told the Director on May 6, however, that he thought both the KMT and DPP would perform well on May 14, since the two parties both support the politically popular reform package. Although they are not cooperating on the NA, TSU and PFP officials are hoping to win at least one quarter of the seats in hopes of then being able to derail the reform package. While TSU officials tell AIT that President Chen's shift to the political center should boost the TSU's share of the Pan-Green vote, PFP Public Affairs Deputy Director Liao Wen-chang told AIT that he did not expect the PFP to do well.

- 15. (C) Pessimistic over its election prospects, the PFP has tried to use procedural mechanisms to block the NA from being able to convene. The party used the virtual "veto" from its pivotal position in the LY to block revisions to the draft NA procedural rules. PFP Policy Chief Vincent Chang told AIT that if the LY fails to act in the current LY session that ends at the end of May, under Article 34 of the Constitution, the NA will not be able to convene. DPP and KMT legislators reject this interpretation and argue that once elected, the NA can establish its own procedural rules, if necessary. DPP Legislator Hong Chi-chang stated that the LY cannot invoke Article 34 to block the NA from convening, since this would acknowledge that the LY had failed its constitutional responsibilities to establish procedural rules for the NA. (Note: Article 34 states "The organization of the National Assembly, the election and recall of delegates to the National Assembly, and the procedure whereby the National Assembly is to carry out its functions, shall be prescribed by law." End Note.)
- 16. (SBU) The issue of draft rules for the NA lie at the heart of political calculations by the TSU and the PFP. The rules will need to specify whether the NA assembly will require a simple majority vote or a three-quarters majority vote, either of those present or of all elected members, in order to approve the proposed constitutional amendments. The last round of constitutional amendments (promulgated in 2000) eliminated the three-quarters NA majority previously mandated to confirm revisions passed by the LY (Article 127, Item 1), mandating that only changes to the national boundaries require a three-quarters NA majority. Article 1 of the Additional Articles, which replaced previous rules governing the NA, does not specify the bar needed for NA confirmation of constitutional amendments on other subjects. If the firules require a three-quarter majority and the TSU and PFP If the final NA, then they will have the capacity to scuttle the reduction in size of the LY, which they fear will drastically reduce the future influence of their two parties. Some analysts expect that the success of the TSU and PFP on May 14 will be the driving force in whether to require a three quarter majority NA vote. If the two parties together win more than one-quarter of the seats they may well insist on NA rules that require a three-quarters vote. If they fail to reach that number, the LY or NA will likely agree to a simple majority vote for passage of the proposed constitutional amendments.

Mandate of the National Assembly

17. (U) Under the rules established by the most recent revisions to the "Republic of China (ROC)" constitution, the 300 NA seats will be allocated to political parties according to the proportion of votes each registered group garners in the May 14 election. The ad hoc NA elected on May 14 will convene for the sole purpose of debating and voting on the draft constitutional amendment package proposed by the LY on August 23, 2004 (Reftel). Following the election, the NA must convene within ten days and then must complete its task of adopting or rejecting the constitutional amendment package within 30 days. With one of the provisions of the packing being the elimination of the NA itself, this may be the final meeting of the body.

Five Issues at Stake

- 18. (U) The provision calling for the dissolution of the NA is one of five provisions of the constitutional amendment package to be considered by the NA. In addition, the NA's power to impeach president and vice president would be transferred to the LY and, ultimately, to the Council of Grand Justices (Note: a body appointed by the President. End Note). A second provision proposes that a national referendum will approve future constitutional amendments submitted by the LY, replacing the current NA ratification process.
- 19. (U) The remaining three provisions in the constitutional amendment package relate to LY reforms. The reforms would downsize the LY from its current 225 to 113 members, of which 73 will be directly elected in single seat constituencies while six constituency seats would be reserved for aborigines, and 34 chosen by a second vote based on proportional voting for political parties. In the single seat constituency system, there is no provision to reserve LY seats for women. Another provision would change the voting system from the current "single non-transferable vote" for multiple representation in large districts to a "first past"

the post" system with single representatives for smaller sized constituencies. The final provision would provide for each voter to cast two ballots, one for a candidate in the single-member constituencies, and another for a party to determine the allocation of proportional seats.

The "Candidates" and Platforms

110. (U) Twelve political parties and associations have registered with the CEC for the May 14 election, with 687 candidates designated by these groups to compete for the 300 seats. Among the major political parties, the DPP has nominated 150 candidates, KMT 148, TSU 50, PFP 83, and New Party (NP) 26. In addition to the major political parties, the Democracy Action Alliance, which organized the September 25, 2004 anti-arms procurement rally, has nominated 150 candidates, 76 of whom are university professors. This will be the first election in living memory in which the ballot will not feature individual candidate names and photographs. Rather, the ballot will list only the name of the party or group and whether it supports or opposes the constitutional amendment package. Given this format, the fate of the constitutional amendments would be essentially apparent as soon as the election result is announced.

Comment: Sleeper Election

111. (C) The amendments passed by the LY last August (Reftel) could have important long-term implications for Taiwan's democratic system. The creation of single-member districts should help moderate Taiwan's political discourse by forcing parties to play to the political center and marginalizing smaller, often more radical, political parties. Passage of this package of constitutional reforms may, for example, obviate calls from Pan-Green fundamentalists for more sweeping constitutional revisions. However, few political observers are focused on the substance of the election. Rather, the (limited) attention on May 14 is focusing on the election's implications for short-term political positioning. Given the recent polarization of opinion over cross-Strait relations, and plummeting DPP morale over President Chen's changing stances on Pan-Blue contacts with the PRC, the DPP is justifiably concerned over its prospects.